

Public Report Sustainable Forest Management System

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ORGANIZATION NAME: PT Madukoro Lestari

TOTAL HECTARES: 14,900.70

SCOPE OF REGISTRATION: Sustainable Forest Management in 14,900.70 Hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1

AUDIT START DATE: 4 March 2026

AUDIT END DATE: 7 March 2026

In signing this document, the Audit team confirms that they have had no involvement with the company under audit in terms of consultancy, training, direct employment etc. within the last 2 years and have no other involvement (financial, shareholding or commercial) that would constitute a Conflict of Interest

LEAD AUDITOR: R Sigit Pamungkas

SIGNATURE:

AUDIT TEAM: Ence Hedi Hasan Zubaedi

SIGNATURE:

Abdul Salam

SIGNATURE:

**WITNESSING AUDITOR/
TRANSLATOR (if any):** //

SIGNATURE: //

MAJOR CARs: 0

MINOR CARs: 0

SITE NAME (Legal Name):	ADDRESSES OF ORGANIZATION SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
Site	Kecamatan Teluk Meranti dan Pelalawan, Kabupaten Pelalawan, Provinsi Riau, Indonesia	4 – 6 March 2026
Head Office	Jl. Sei Duku No. 333, Kelurahan Tanjung Rhu, Kecamatan Lima Puluh, Pekanbaru 28143, Riau - Indonesia	7 March 2026
SITE NAME (Legal Name):	ADDRESSES OF ADDITIONAL SITES NOT VISITED BUT STILL COVERED BY THE REGISTRATION INCLUDING COUNTRY – TO BE COMPLETED IF CLIENT IS UNDER A SITE SAMPLING AUDIT PLAN	

Brief Description of the concession

PT Madukoro Lestari has several regulations that have been updated since its inception, namely:

1. Pelalawan Regent's Decree No. 522.21.IUPHHKHT/I/2003/017 dated January 31, 2003, concerning the Granting of a Business Permit for the Utilization of Timber Forest Products from Plantation Forests to PT Madukoro covering an area of approximately 15,000 hectares in Pelalawan Regency.
2. Decree of the Minister of Environment and Forestry No. S.826/PHPL/UHP/HPL.1/11/2016 dated November 24, 2016, concerning the Renaming of PT Madukoro's IUPHHK-HTI to PT Madukoro Lestari.
3. Decree of the Head of the Pelalawan Regency Investment and One-Stop Integrated Service Office No. 504/DPMPTSP-P3NP/I/2017/01 dated January 18, 2018, concerning amendments to Decree No. 522.21/IUPHHKHT/I/2003/017, regarding the name change from PT Madukoro to PT Madukoro Lestari.
4. TBT Report No. LP.005/BPKH.XIX/PKH/-/11/2017 dated November 2017 and Decree of the Minister of Environment and Forestry No. 245/Menlhk/Setjen/PLA.2/6/2020 dated June 9, 2020, concerning the Determination of the working area boundaries of PT Madukoro Lestari's IUPHHK-HT, with an area of 14,900.70 hectares.
5. Decree of the Minister of Environment and Forestry No. SK.835/MenLHK/Setjen/HPL.0/9/2021 dated September 21, 2021, changing the nomenclature of IUPHHK-HTI to PBPH (Forest Utilization Business Permit).

In PT Madukoro Lestari's work area, there was no conversion of natural forest to plantations after December 31, 2010. Based on the Potential Mapping and Conflict Resolution Report for Semester II, 2025, there are no claim areas within the organization's concession. Identification results also indicate no non-forest areas, including oil palm plantations, residential areas, or other non-cultivated areas. Referring to the IFCC Executive Board Circular Letter No. 001/KSK/SE-BP/VIII/2024 dated August 1, 2024, concerning the Determination of Certification Areas, PT Madukoro Lestari's area is as follows:

- Permit-based area = 14,900.70 hectares (SK.835/MenLHK/Setjen/HPL.0/9/2021)
- Forest Area = 14,900.70 hectares
- Certified Area = 14,900.70 hectares

The organization has a long-term planning document in the form of the Revised Work Plan for Industrial Timber Forest Product Utilization (RKUPHHK-HTI), ratified by Decree No. 6026/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019. Based on this document, PT Madukoro Lestari arranged its spatial planning into three categories: Local Protection Areas and Other Protected Areas covering 8,732 ha (58.22%), Staple Plants area covering 5,018 ha (33.45%), and Livelihood Plants area covering 1,250 ha (8.33%).

The concession area of PT Madukoro Lestari is geographically located between 00°23'N–00°33'N and 102°17'E–102°23'E, bordered to the north by HTI CV Bhakti Praja Mulia, to the south by HTI CV Harapan Jaya, to the west by HTI CV Alam Lestari, and to the east by PT Yos Raya. Administratively, it lies within Teluk Meranti District and Pelalawan District, Pelalawan Regency, Riau Province, with nearby villages including Sungai Ara (Pelalawan District) and Pangkalan Terap (Teluk Meranti District). The concession area is a peat land; the species of plants being developed is *Acacia crassicarpa*.

Description of the socio-economic conditions of the concession and the concession's social programs

In general, the communities surrounding the PT Madukoro Lestari area are local (Malay) and migrant communities (Batak, Javanese, Minang, Lombok, and Nias). There are no indigenous communities within or around the PT Madukoro Lestari area. The primary livelihoods of the community are oil palm, rubber, and fishing.

PT Madukoro Lestari's Community Development (CD) program covers the education, health, religious affairs, economics, infrastructure and facilities, and social and environmental sectors. The CD assistance program is typically announced during the current year's RKT socialization. Community members typically submit a proposal to the company, which is acknowledged by the Village Head.

PT Madukoro Lestari has a dispute resolution mechanism in place regarding community land claims. Based on the Conflict Potential Mapping and Resolution Report for Semester II of 2025, there are no claim areas within the organization's concession. The organization's Conflict Potential Status is Safe.

PT Madukoro Lestari has collaborated with the surrounding community. Details regarding the organization's collaboration with surrounding villages have been presented in the previous year's audit report. Based on interviews with the Village Head, there is collaboration with organizations in the livelihood plants. The collaboration began in 2019. The next harvest was supposed to take place in 2024, but according to the village head, the village government asked the organization to postpone payment of the livelihood plant fee because the village was trying to obtain agreement from the community to use the fee to build a bridge connecting the residential area with the cemetery and community garden land. Currently, the community has agreed to use the livelihood plant fee for the bridge construction and the village government is currently submitting a request for the disbursement of livelihood plant fee.

In 2025, PT Madukoro Lestari carried out several community development activities across education, health, religion, economy, infrastructure, social, and environmental fields. These included repairing places of worship, empowering farmer groups, providing equipment such as lawn mowers and speedboats, supporting mutual cooperation initiatives, and distributing basic food aid during floods. Overall, six activities were planned and realized, reflecting the company's commitment to supporting its fostered communities. The programs were derived from annual RKT socialization activities and also from proposals or communications submitted by villages and stakeholders.

Description of the Ecological conditions of the concession

Ecologically, the forest concession of PT Madukoro Lestari is part of the Kutub River Forest Group. The entire topography is flat, classified as slope class A (0–8%), with an altitude of 15–16 meters above sea level. The soil types consist of Tropohemists and Tropofibrists covering 10,885 ha, and Troposaprits and Tropofibrists covering 4,115 ha. The geological formations are peat formations: KLR-Klaru (10,885 ha) and MDW-Mendawai (4,115 ha). Hydrologically, the area belongs to the Kutub River Sub-watershed, while the peat hydrological unit is part of the Siak River–Kampar River system. Climate conditions, based on Schmidt & Ferguson (1955), classify the area as type A (very wet), with annual rainfall of 2,283.5 mm, peaking in December (457.5 mm) and lowest in June (82.9 mm), totaling 155 rainy days per year.

The ecological conditions of PT Madukoro Lestari's concession include natural forest ecosystems such as peat swamp forests and riparian zones. The organization maintains 8,732 ha (58.22%) as Local Protection Areas and Other Protected Areas, consisting of Polar River Borders (240 ha, 1.60%), KPPN (451 ha, 3.01%), KPSL (766 ha, 5.11%), and Other

Protected Areas (7,275 ha, 48.50%). Within the peat swamp ecosystem, highly vulnerable zones such as the Peat Dome Peak cover 7,076.57 ha, distributed across KPPN (451 ha), KPSL (766 ha), and Other Protected Areas (5,859.57 ha).

PT Madukoro Lestari does not use fire in forest management practices, implemented through established SOPs. Forest and land fire control activities are documented in the Environmental Approval Implementation Report and the Monthly Forest and Land Fire Control Report, both confirming that no fire is used in management practices. To minimize fire hazards and maintain ecological carrying capacity for flora and fauna, the organization enforces “zero burning” land clearing policy. Activities include vegetation monitoring in protected areas such as the Germplasm Conservation Area (KPPN), where tree growth levels (seedling, sapling, pole, tree) are analyzed for species density, Important Value Index (INP), and Shannon-Wiener diversity (H').

Wildlife observation is also integrated into fire prevention and ecological management. Protected areas function as wildlife corridors and pockets, providing habitats within HTI concessions to reduce disturbances to surrounding communities. Activities include socialization and installation of hunting prohibition signs, as well as patrols to prevent poaching. Wildlife monitoring is conducted alongside vegetation monitoring using the transect method, with direct and indirect encounters recorded through signs such as tracks, food scars, nests, and droppings. In addition, PT Madukoro Lestari manages hazardous and toxic waste (B3) as part of its monitoring plan.

Results of the Public Consultation

Prior to carrying out Surveillance 1 Audit, PT ACube TIC International conducted a public consultation starting 4 February 2026, asking stakeholders to provide feedback and information about the PT Madukoro Lestari. The public consultation was uploaded to the PT ACube TIC International website (www.ajaindonesia.com), sent to parties by e-mail or postal mail, and published in local newspapers. PT ACube TIC International does not receive any input from stakeholders during public consultations.

The audit team also collected information from the mass media about PT Madukoro Lestari. The reported cases are considered as part of the PT ACube TIC International audit process.

The Organization has identified all the necessary requirements for this certification process, which consist of legal aspects which include compliance with international rules and regulations and conventions. A management system has been developed to cover all activities in the area of certification, registered for a total of 14,900.70 hectares.

Organisation progress record related to corrective action on findings of nonconformities in previous audit

The results of the previous Recertification Audit were no non-conformities.

Findings on the certified client conformity with the certification requirements and description of critical issues in relation to the conformity.

The results of Surveillance 1 Audit were no non-conformities. The management system operates effectively



Conditions under which the certificate is issued

Certificate number AJA/IFCC-PEFC/FMC-HT/00043/VII/2018 is valid until 17 July 2028, provided that PT Madukoro Lestari maintains its Surveillance schedule and does not have potential major non-conformities at the next Surveillance.